

CONFIDENTIAL

OFFICE OF THE ASSISTANT SECRETARY OF DEFENSE
WASHINGTON 25, D. C.

May 8, 1958

INTERNATIONAL SECURITY AFFAIRS

OSD DECLASSIFICATION/RELEASE
INSTRUCTIONS ON FILE

MEMORANDUM

TO: CHAIRMAN OF EDAC

FROM: Department of Defense Member

SUBJECT: Appeal of Working Group I - Recommendation for Approval of Export 500 Tons Embargoed Copper Wire from Netherlands to Poland (IL - 1650)

REFS: (a) Polto 3271, dated April 17, 1958
(b) COCOM Doc. 3033, dated April 17, 1958
(c) Topol 3951, dated May 1, 1958
(d) Polto 3556, dated May 3, 1958
(e) OC Report of Recommendations No. 518, dated Dec. 6, 1957
(f) The Nature and Extent of the Dependence of the Sino-Soviet Bloc on Imported Supplies of Copper - Report by U.S. and U.K. Defense/Intelligence Officials, dated March 28, 1957.
(g) WG I D-1650.2, dated November 22, 1957

1. The Defense Member appeals the decision of the Chairman of Working Group I that the U.S. Government should express no objection to the proposed export of 500 tons of electrolytic copper wire, having a diameter of 6.35 mm. from the Netherlands to Poland, as set forth in references (a) and (b). This wire is covered by Item 1650 on the International List and Title I, Category B of the Battle Act. The Chairman's decision was based on his belief that approval of this shipment would conform with the U. S. Policy toward Poland. He further ruled that the Department of Commerce contention that the U.S. should object to this proposed export because it had denied the export of 1500 tons of copper wire bar from the U.S. to Poland, as shown in reference (e), is irrelevant to the issue in this case. The Chairman also stated that approval of the proposed action might strengthen the U.S. in its efforts to secure approval of all PC's in upgrading all types of copper wire to the embargo list.

2. The Defense Member invites the attention of EDAC to the contents of reference (f), particularly to paragraph (v) of the Summary and Conclusions, wherein U.K. and U.S. experts agreed that the copper shortage in the bloc "**** is likely to become more serious with repercussions on both military and civil programmes." Reference (g) supports the conclusions of the U.S. and U.K. experts with the statement that "**** the whole Sino-Soviet bloc is expected to continue being deficient in copper and dependent upon the Free World for an important part of its supply."

CONFIDENTIAL

CONFIDENTIAL

3. Since copper is a highly strategic as well as a highly fungible product, used in a wide range of both military and civilian products, the Department of Defense takes the position that it is necessary to demonstrate that the greatest proportionate share of the Polish consumption of copper in all forms is for civilian purposes and that no significant amount is utilized by Poland in products of a highly strategic application. For example, if some of the communications uses mentioned in reference (b) were found to be in connection with the integrated Soviet bloc military communications network, and the amount so used were significant, then the demonstrability test would not have been met.

4. In relation to the other end use stated in reference (b), namely to electrify Polish villages, it should be pointed out that, while such a use is civilian in nature, the demonstrability test mentioned in the preceding paragraph, should be met first. It may well be assumed that the copper supplied from the free world is to be used in electrification projects for villages, but if the importation of copper from the West frees up a like quantity for use in Polish military projects, the assumption that this trade is reasonable and necessary to the Polish civilian economy then rests on tenuous grounds.